

HOUSING PRODUCTION TRUST FUND BOARD
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
GOVERNMENT OF THE DISTRICT OF COLUMBIA

Meeting Minutes

Thursday, December 15, 2022

12:30pm

Webex:

WELCOME

Susanne Slater, Chairperson

The DHCD Housing Production Trust Fund board convened virtually on WebEx, pursuant to notice at came to order at 12:37pm. Susan Slater, Chairperson, presiding. Quorum was established.

Board Members Present:

Susanne Slater
Charles Lowery
Chapman Todd
Stan Jackson
Lynn French (joined)

Also Present:

Drew Hubbard, DHCD Interim Director
Tsega Bekele, DHCD Chief of Staff
Richard Livingstone, DHCD Deputy Chief of Staff and Communications Director
Danilo Pelletiere, DHCD Housing Development/Policy Advisor
Erin Wilson, DHCD DFD Manager
Joe Knackstedt, DHCD DFD Manager
Alex Cross, DHCD Deputy Chief of Staff
Reshma Holla, DHCD DFD Manager

MEETING MINUTES

Stan Jackson motioned to approve the meeting minutes. The motion was seconded by Charles Lowery. Everyone voted in favor via roll call vote at 12:45 pm. Quorum was maintained, after this vote, Charles Lowery left the meeting and Lynn French joined.

DHCD UPDATE

Drew Hubbard, Interim Director

The Interim Director gave update about his testimony in front of the Housing Committee at the Council's public hearing on the "Green New Deal for Housing Amendment Act of 2022" on November 22nd. The legislation proposed investments in District-owned social housing developments and required the Mayor to evaluate certain properties for conversion into social housing developments before disposing of them. The Interim Director explained the legislation would establish a social housing office to have District-owned housing, purchase residential property for conversion into social housing that would be fully funded and managed by District Government. He further explained that it would be based on a mixed-income structure and the market rate units would subsidize the low-income units and would be revenue neutral. He added that the Housing Production Trust Fund (HPTF) would be a backstop and provide additional funding these units. The legislation would also call the District to invest in green and energy efficient housing. The Interim Director explained that there are several things that can be done with the existing funding structures and tools that District Government already has in place.

Susanne Slater inquired why the proposed social housing office wouldn't be placed in DHCD. She turned the meeting over to Erin Wilson for the HPTF report.

HOUSING PRODUCTION TRUST FUND UPDATE

Erin Wilson
Deputy Manager, DFD

Erin Wilson provided an update on the HPTF explaining that from the report out \$129M was allocated for projects and \$2.5M was allocated at 9% tax credits. The HPTF allocations as of December 15th, were \$144,760,369 at 30% AMI, \$179,738,534 at 50% AMI, and \$33,833,993 at 80% AMI for 26 projects. Recently the Euc Kal project closed in November and Kenilworth 166 Phase 1 will close in December. There are 10 projects in underwriting – approved by the loan committee, and 33 projects in initial underwriting. In FY23, there has already been a project closed with three more to close before the end of the year. She reminded everyone that DHCD and DCHFA made an announcement for BOND Cap announced mid-November and will take effect in January. Bond Cap process is partially governed by QAP, there will be a final QAP by Spring 2022, followed by RSP. She explained the District is leading on efforts to ensure the construction of net-zero and green buildings as much as possible. The Social Housing proposal has elements that are already being reviewed by DHCD and the future of Bond Cap. There will be exploration and a review of ways to cross subsidize and make projects feasible without having to utilize HPTF or LRSP.

The Board asked to know the inputs, innovations, to capture the innovative opportunities and tools to allow other projects to maximize the tax credits, and the ability to produce quality projects. The Board also inquired if there will be special incentives for developers to utilize the new technologies.

The Board inquired to Erin about the projects listed in the report, asking if the report can list the specific developer of the project. how DHCD is meeting its requirements for the different MFI levels, and Interim Director remarked that we are focused on that goal, and that there are additional strategies DHCD and the District are employing to reach it. The Board and the Interim Director also discussed housing and economic development in Ward 7 and Ward 8, particularly workforce housing.

The Board then had specific questions of developments as well as how changing market forces such as interest rates are impacting affordable housing projects.

LEGISLATIVE UPDATE

Danilo Pelletiere,
Housing Preservation Officer

Danilo Pelletiere shared there aren't currently any legislation specific to the HPTF and end of the current legislative session will end. Danilo explained the District already budgeted and allocated American Rescue Plan Act funds until 2026.

The Board inquired about the increase allocation of the HPAP and the purchase price of prospective homeowners. The Board also inquired about the increase in interest rate which suppressed demand. The Director shared DHCD is seeing a loan of about \$160K and that the demand to purchase homes has not decreased.

MEETING SCHEDULE

Stan Jackson motioned to adopt the proposed meeting schedule. The motion was seconded by Chapman Todd. Everyone voted in favor via roll call vote. The vote was conducted at 1:11pm.

ADJOURNMENT

Lynn French motioned to adjourn the meeting. The motion was seconded by Stan Jackson. Everyone voted in favor via roll call vote. The meeting adjourned at 1:15 pm.